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ENTERED  
Office of Proceedings  
December 7, 2018  
Part of  
Public Record

December 7, 2018

**VIA E-FILING**

Ms. Cynthia T. Brown  
Chief of the Section of Administration, Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423-0001

Re: **Docket No. FD 36248, RailUSA, LLC and American Rail Partners, LLC—  
Continuance in Control Exemption—Florida Gulf & Atlantic Railroad, LLC**

Dear Ms. Brown:

Enclosed for e-filing on behalf of RailUSA, LLC and American Rail Partners, LLC is a Verified Notice of Exemption filed pursuant to 49 C.F.R. § 1180.2(d)(2). Also enclosed (as a confidential document) is the authorization for payment of the applicable \$1,500 filing fee.

Please contact me with any questions.

Respectfully submitted,



Peter W. Denton  
Attorney for RailUSA, LLC and  
American Rail Partners, LLC

Enclosures

FEE RECEIVED  
December 7, 2018  
SURFACE  
TRANSPORTATION BOARD

FILED  
December 7, 2018  
SURFACE  
TRANSPORTATION BOARD

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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DOCKET NO. FD 36248

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RAILUSA, LLC AND AMERICAN RAIL PARTNERS, LLC  
—CONTINUANCE IN CONTROL EXEMPTION—  
FLORIDA GULF & ATLANTIC RAILROAD, LLC

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VERIFIED NOTICE OF EXEMPTION  
Pursuant to 49 C.F.R. § 1180.2(d)(2)

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Steptoe & Johnson LLP  
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(202) 429-6445

*Attorneys for RailUSA, LLC and  
American Rail Partners, LLC*

Dated: December 7, 2018

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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RAILUSA, LLC AND AMERICAN RAIL PARTNERS, LLC  
—CONTINUANCE IN CONTROL EXEMPTION—  
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VERIFIED NOTICE OF EXEMPTION  
Pursuant to 49 C.F.R. § 1180.2(d)(2)

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RailUSA, LLC (“RailUSA”) and American Rail Partners, LLC (“ARP”), each a non-carrier, hereby file this Verified Notice of Exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to exempt from the prior approval requirements of 49 U.S.C. §§ 11323-25 RailUSA’s and ARP’s continuance in control of Florida Gulf & Atlantic Railroad, LLC (“FGA”) once FGA becomes a Class III rail carrier.

In support of this Verified Notice of Exemption, RailUSA and ARP submit the following information as required by 49 C.F.R. § 1180.4(g):

**Description of Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)**

RailUSA is a non-carrier entity that is wholly owned by ARP, also a non-carrier entity. FGA is a newly-formed non-carrier entity that is wholly owned by RailUSA. Therefore, RailUSA directly controls FGA, and ARP indirectly controls FGA.

FGA is concurrently filing a Verified Notice of Exemption pursuant to 49 C.F.R. § 1105.31, *et seq.*, to exempt from the provisions of 49 U.S.C. § 10901 FGA’s acquisition from CSX Transportation, Inc. (“CSXT”) and operation of the following rail lines: (1) the Tallahassee Subdivision between Baldwin, FL, at or near CSXT milepost SP 653.3 and Chattahoochee, FL, at or near CSXT milepost SP 842.5; (2) the P&A Subdivision between

Chattahoochee, FL, at or near CSXT milepost 00K810.7, and Pensacola, FL, at or near CSXT milepost 00K651.0; and (3) portions of the Bainbridge Subdivision between Tallahassee, FL, at or near CSXT milepost SLC 52.0, and Attapulcus, GA, at or near CSXT milepost SLC 79.0 (collectively, the “Lines”). The total length of the Lines is approximately 373 miles. Based on projected revenues for the Lines, FGA will become a Class III rail carrier upon consummation of the acquisition. *See Florida Gulf & Atlantic Railroad, LLC—Acquisition and Operation Exemption With Interchange Commitment—CSX Transportation, Inc.*, FD-36247 (filed Dec. 7, 2018).<sup>1</sup>

RailUSA and ARP currently control one rail carrier, Grenada Railroad, LLC (“GRR”), a Class III carrier that leases and operates on lines in Mississippi and Tennessee.<sup>2</sup> GRR is wholly owned by RailUSA. Therefore, RailUSA directly controls GRR, and ARP indirectly controls GRR by virtue of ARP’s ownership of RailUSA.

RailUSA and ARP propose to exercise common control of FGA and GRR once FGA acquires the Lines pursuant to exemption in Docket No. FD-36247 and FGA becomes a rail carrier. The Lines to be acquired and operated by FGA do not connect with the GRR lines, and this proposed control transaction is not part of a series of anticipated transactions that would result in such a connection. This proposed control transaction does not involve a Class I carrier. Accordingly, RailUSA’s and ARP’s continuance in control of FGA qualifies

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<sup>1</sup> As described in the Notice of Exemption filed in FD-36247, as part of the transaction CSXT will retain limited overhead trackage rights over portions of the Lines.

<sup>2</sup> Illinois Company Rail Road, LLC obtained an exemption in 2015 to lease and operate these lines. *See Ill. Co. Rail Road, LLC—Lease and Operation Exemption—N. Cent. Miss. Reg’l R.R. Auth. & Grenada Ry., LLC*, FD-35940 (STB served July 9, 2015). Soon thereafter, Illinois Company Rail Road, LLC changed its name to Grenada Railroad, LLC (“GRR”). *See* FD-35940 (filed July 14, 2015). GRR was previously controlled by Iowa Pacific Holdings, LLC and other related entities. *See Iowa Pac. Holdings, LLC, Permian Basin Ry. & San Luis & Rio Grande Ry.—Corporate Family Transaction Exemption—Grenada R.R., LLC*, FD-36191 (STB served May 18, 2018). RailUSA and ARP acquired control of GRR in August 2018. Because RailUSA and ARP were not and are not rail carriers, and because RailUSA and ARP did not control any other rail carriers at the time that they acquired control of GRR, the applicants were not required by 49 U.S.C. § 11323 to obtain Surface Transportation Board (“Board”) approval and authority in order to acquire control of GRR.

for the class exemption at 49 C.F.R. § 1180.2(d)(2) and is exempt from the prior approval requirements of 49 U.S.C. §§ 11323-25.

The full names and addresses of the applicants herein are:

RailUSA, LLC  
5200 Town Center Circle  
Tower I, Suite 550  
Boca Raton, FL 33486  
(561) 617-8050

American Rail Partners, LLC  
5200 Town Center Circle  
Tower I, Suite 550  
Boca Raton, FL 33486  
(561) 617-8050

Any questions concerning this Verified Notice should be sent to RailUSA's and ARP's counsel at the following address:

Peter W. Denton  
Steptoe & Johnson LLP  
1330 Connecticut Ave. NW  
Washington, DC 20036  
(202) 429-6445

**Proposed Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)**

RailUSA and ARP intend to consummate the proposed transaction concurrently with the consummation of the transaction contemplated by Docket No. FD-36247, on or after January 6, 2019, 30 days from the date of this filing.

**Purpose Sought to Be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)**

This exemption will allow RailUSA and ARP to continue in control of GRR and FGA upon FGA becoming a rail carrier. In turn, the control exemption will allow FGA to proceed with the acquisition and operation of the Lines as contemplated in Docket No. FD-36247.

**States in Which Property of Applicants Is Located: 49 C.F.R. § 1180.6(a)(5)**

RailUSA and ARP do not directly own any rail property. FGA will acquire from CSXT and operate the Lines, which are located within the states of Florida and Georgia. GRR leases and operates over rail property located in Mississippi and Tennessee.

**Map: 49 C.F.R. § 1180.6(a)(6)**

Maps of the Lines to be acquired and operated by FGA and the rail lines currently leased and operated by GRR are attached as Exhibit A.

**Agreement: 49 C.F.R. § 1180.6(a)(7)(ii)**

RailUSA and ARP already control FGA, currently a non-carrier, and GRR, a rail carrier. No additional agreement is contemplated or necessary for RailUSA and ARP to continue in control of FGA and GRR once FGA becomes a rail carrier.

**Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)**

Pursuant to 49 U.S.C. § 11326(c), no labor protective conditions will apply to this control transaction because this transaction involves only Class III rail carriers. GRR is a Class III carrier and FGA will be a Class III carrier upon consummation of the transaction contemplated by Docket No. FD-36247.

**Environmental and Historic Preservation: 49 C.F.R. § 1180.4(g)(3)**

Pursuant to 49 C.F.R. § 1105.6(c)(1)(i), no environmental documentation is required because this proceeding involves continuance of control under 49 U.S.C. § 11323 and will not result in operational changes that would exceed any of the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Pursuant to 49 C.F.R. § 1105.8(b)(3), no historic report is required because the proposed transaction involves “common control through stock ownership or similar action which will not substantially change the level of maintenance of railroad property.”

**Interchange Commitments: 49 C.F.R. § 1180.4(g)(4)**

The continuance in control transaction proposed in this Verified Notice does not itself involve the acquisition or operation of a rail line, and thus the provisions of 49 C.F.R. § 1180.4(g)(4) are not applicable. Nevertheless, RailUSA and ARP hereby certify that the control transaction proposed in this Verified Notice does not involve an interchange agreement.

The related FGA transaction contemplated by Docket No. FD-36247 does involve an interchange commitment, and FGA's Notice of Exemption filed in that proceeding contains the required certifications and disclosures with respect to that interchange commitment.

Respectfully submitted,



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Peter W. Denton  
Sarah B. Nural  
Steptoe & Johnson LLP  
1330 Connecticut Ave. NW  
Washington, DC 20036  
(202) 429-6445

*Attorneys for RailUSA, LLC and  
American Rail Partners, LLC*

Dated: December 7, 2018

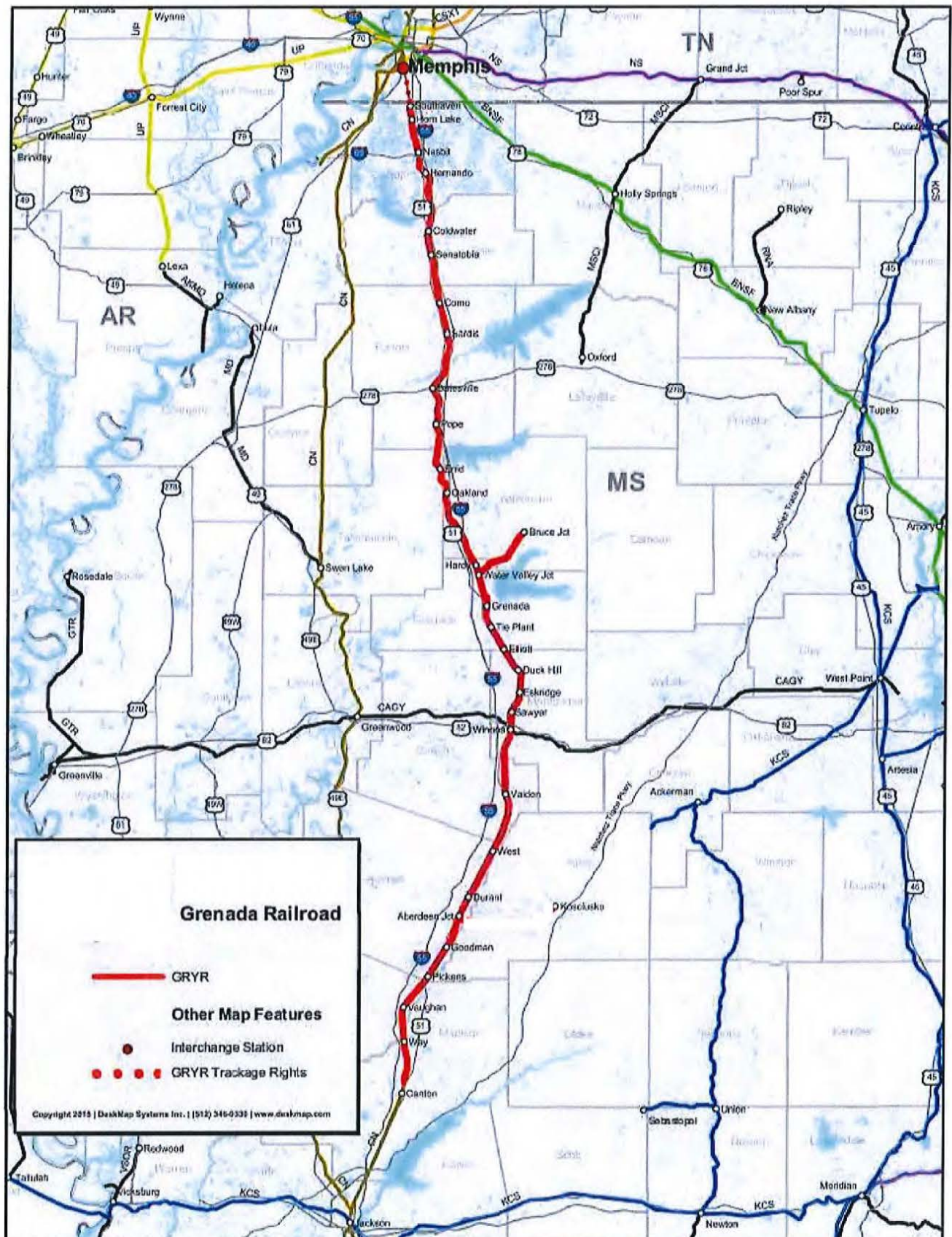
**EXHIBIT A**

**MAPS**



Map of the Lines to be acquired and operated by FGA:





**VERIFICATION**

**STATE OF FLORIDA**

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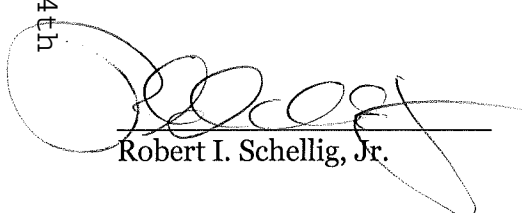
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**ss.**

**COUNTY OF PALM BEACH**


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I, Robert I. Schellig, Jr., being duly sworn, depose and state that I am Senior Vice President and General Counsel of RailUSA, LLC and Senior Vice President and General Counsel of American Rail Partners, LLC, that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.

4th  
  
Robert I. Schellig, Jr.

SUBSCRIBED AND SWORN TO  
before me this \_\_\_ day of December, 2018  
in the County of Palm Beach, State of Florida

My Commission Expires: 10/17/2020

  
Notary Public

